MINISTRY OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2016

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Fish and Wildlife Development Fund, which comprise the statement of financial position as at March 31, 2016, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fish and Wildlife Development Fund as at March 31, 2016, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 21, 2016

Judy Ferguson, FCPA, FCA
Provincial Auditor

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FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2016	2015
Financial assets:		
Due from General Revenue Fund (Note 5)	$ 1,915,669	$ 1,071,437
Due from General Revenue Fund - MHCF (Note 7)	2,030,269	2,017,146
Saskatchewan Fisheries Development Trust Agreement Receivable (Note 3)	335,224	168,089
Saskatchewan Conservation Land Management Trust Agreement Receivable (Note 4)	125,034	-
Accounts receivable (Note 6 & 11)	207,525	219,584
Inventories for resale	10,466	6,867
Total financial assets	4,624,187	3,483,123
Liabilities:		
Accounts payable and accrued liabilities	637,806	421,986
Payable for land purchases (Note 8)	-	58,500
Unearned revenue	46,072	42,898
Total liabilities	683,878	523,384
Net financial assets (Statement 3)	**3,940,309**	**2,959,739**
Non-financial assets:		
Tangible capital assets (Note 9)	21,318,575	20,929,956
Total non-financial assets	21,318,575	20,929,956
Accumulated surplus (Statement 2)	**$ 25,258,884**	**$ 23,889,695**

Commitments (Note 10)

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS & ACCUMULATED SURPLUS
For the Year Ended March 31

	2016		2015
	Budget (Note 12)	Actual	Actual
Revenues:			
Transfers from General Revenue Fund			
Sale of licenses (Note 6)	$ 3,804,000	$ 3,769,021	$ 3,569,044
Field permits and leases	142,000	208,485	164,571
Interest	30,000	21,218	26,356
Other revenue	15,000	464,794	126,583
	3,991,000	4,463,518	3,886,554
Expenses: (Schedule 1)			
Fish enhancement projects	1,661,000	1,400,862	1,139,276
Wildlife habitat projects	1,200,000	1,398,332	1,354,577
Municipal habitat projects	300,000	295,135	283,228
	3,161,000	3,094,329	2,777,081
Annual surplus (Statement 3)	**$ 830,000**	**$ 1,369,189**	**$ 1,109,473**
Accumulated surplus, beginning of year		23,889,695	22,780,222
Accumulated surplus, end of year (Statement 1)		**$ 25,258,884**	**$ 23,889,695**

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2016		2015
	Budget (Note 12)	Actual	Actual
Annual surplus (Statement 2)	$ 830,000	$ 1,369,189	$ 1,109,473
(Acquisition) of tangible capital assets (Note 9)	(400,000)	(416,516)	(593,069)
Amortization of tangible capital assets (Note 9)	20,000	27,897	19,866
Increase in net financial assets	450,000	980,570	536,270
Net financial assets, beginning of year	2,959,739	2,959,739	2,423,469
Net financial assets, end of year (Statement 1)	**$ 3,409,739**	**$ 3,940,309**	**$ 2,959,739**

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2016	2015
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 3,622,500	$ 3,703,642
Receipts from sales of field permits, leases, and other	831,554	339,295
Interest received	21,523	27,805
Grant payments	(1,320,809)	(1,524,798)
Payments to municipalities	(295,135)	(283,228)
Payments to suppliers and employees	(1,235,093)	(1,218,489)
	1,624,540	1,044,227
Cash flows (used in) capital activities:		
Purchase of tangible capital assets	(475,016)	(777,218)
Cash flows (used in) investing activities:		
Advances under trust agreements	(292,169)	(168,089)
Net increase in cash	857,355	98,920
Cash and cash equivalents, beginning of year	3,088,583	2,989,663
Cash and cash equivalents, end of year	**$ 3,945,938**	**$ 3,088,583**
Cash and cash equivalents, consist of:		
Due from General Revenue Fund (Note 5)	$ 1,915,669	$ 1,071,437
Due from General Revenue Fund - MHCF (Note 7)	2,030,269	2,017,146
	$ 3,945,938	$ 3,088,583

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2016

1. Authority and Definition of Reporting Entity

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Ministry of Environment administers the Fund. The Saskatchewan Fisheries Development Trust Agreement and the Saskatchewan Conservation Land Management Trust Agreement established two separate trust accounts managed by the Saskatchewan Wildlife Federation. These trust accounts are consolidated with the Fish and Wildlife Development Fund.

The Fund financial statements have been prepared by management and the integrity and objectivity of these statements, the accompanying schedules and the notes to the financial statements are management's responsibility. Preparation of the financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect reported amounts presented. Estimates and assumptions are based on management's judgement for transactions that can't be finalized with certainty until future periods. Management is also responsible for implementing and maintaining a system of internal controls to ensure the reliability and accuracy of the financial information.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Fund is classified as a government component. These financial statements are prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

a) Revenue Recognition

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Government transfers are recognized as revenue in the year the transfer is authorized and any eligibility criteria are met. Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Transfers

Transfers are expensed when authorized and the recipients have met the eligibility criteria.

c) Non-financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead are normally employed to deliver government services.

Tangible capital assets are recorded at cost less accumulated amortization. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Leasehold improvements are being amortized over an 8 year expected

life, whereas equipment and vehicles are being amortized over a 10-20 year expected life. Computer software is fully amortized. It is assumed that these assets will have no residual value at the end of their expected life.

Purchased land is recorded at cost. Donated land is recorded at a fair value but when fair value cannot be reasonably determined, it is recorded at nominal value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records jointly owned land at cost as determined by the land purchase agreement.

d) Inventories

Resale inventory consists of wildlife manuals that are valued at the lower of cost and net realizable value.

e) Use of Estimates

These statements are prepared in conformity with Canadian Public Sector Accounting Standards. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates are required to determine the amortization of assets, accounts payable and accrued liabilities, and allowance for expected uncollectible accounts receivable. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

f) Financial Instruments

The Fund's financial instruments include accounts receivable, accounts payable and accrued liabilities. The carrying amount of these instruments approximate fair value due to their immediate or short- term maturity.

g) Statement of Remeasurement Gains and Losses

A statement of remeasurement gains and losses has been omitted as there were no relevant transactions to report.

3. Saskatchewan Fisheries Development Trust Agreement (SFDTA) Receivable

A Saskatchewan Fisheries Development Trust Agreement was signed September 3, 2014 between the Ministry of Environment and the Saskatchewan Wildlife Federation (SWF). This agreement established the Saskatchewan Fisheries Development Trust Account which is an account managed by the SWF where the government is the beneficiary. Funds are allocated from the Fish and Wildlife Development Fund to the SFDTA in order to provide funding for the SWF to carry out activities to enhance Saskatchewan fisheries and to operate the Fish Culture Station. Activities are carried out on behalf of the government. The SFDTA and its related transactions are consolidated with the Fund. At March 31, 2016, there was $335,224 (2015 - $168,089) in unspent funds.

4. Saskatchewan Conservation Land Management Trust Agreement (SCLMTA) Receivable

A Saskatchewan Conservation Land Management Trust Agreement was signed July 14, 2015 between the Ministry of Environment, Ducks Unlimited Canada (Ducks), Nature Conservancy of Canada (NCC) and the Saskatchewan Wildlife Federation (SWF). This agreement established the Saskatchewan Conservation Land Management Trust Account which is an account managed by the SWF where the government is the beneficiary. Funds are allocated from the Fish and Wildlife Development Fund to the SCLMTA in order to provide funding to carry out land management activities for the conservation of wildlife habitat. Activities are carried out on behalf of the government. The SCLMTA and its related transactions are consolidated with the Fund. At March 31, 2016, there was $125,034 in unspent funds.

5. Due from the General Revenue Fund

The Fund's money is on deposit with the General Revenue Fund (GRF) and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2016 is 0.60% (2015 – 0.92%).

6. Accounts Receivable

The Fund receives an annual transfer from the GRF, as established by Order in Council 526/95, equivalent to 30% of certain hunting and fishing licence fees collected by the Ministry. Included in accounts receivable at March 31, 2016 is $155,614 (2015 - $9,094) receivable from the GRF related to these hunting and fishing licenses. The Fund also has interest receivable of $5,984 (2015 -$6,288) from the GRF.

Also included in accounts receivable at March 31, 2016 is $45,927 (2015 - $215,757) from unrelated parties.

The Fund has recorded an Allowance for Doubtful Accounts of $0 (2015 - $11,555).

7. Municipal Habitat Conservation Fund (MHCF)

The Municipal Habitat Conservation Fund is a $2,000,000 fund established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. These internally restricted funds are held by the General Revenue Fund and the interest earned on the $2,000,000 is used to assist in paying rural municipalities grants in lieu of taxes on the Fund's lands located within their boundaries.

8. Payable for Land Purchases

At March 31, 2016, the Fund owes a total of $0 (2015 - $58,500) for land purchases. A payable is set up when possession of the land takes place on or before March 31 and payment is made subsequent to year end.

9. Tangible Capital Assets

	Land	Land - joint ownership	Leasehold Improvements	Equipment, Vehicles and Computer Software	Total 2016	Total 2015
Opening Cost	$14,591,146	$6,282,320	$116,592	$196,397	$21,186,455	$20,593,386
Additions		325,124	-	91,392	416,516	593,069
Disposals	-	-	-	-	-	-
Closing Cost	14,591,146	6,607,444	116,592	287,789	21,602,971	21,186,455
Opening Accumulated Amortization	-	-	102,018	154,481	256,499	236,633
Amortization	-	-	14,574	13,323	27,897	19,866
Disposals	-	-	-	-	-	-
Closing Accumulated Amortization	-	-	116,592	167,804	284,396	256,499
Closing Net Book Value	$14,591,146	$6,607,444	-	$119,985	$21,318,575	$20,929,956

10. Commitments

There are not any commitments under Fish and Wildlife Development Fund (FWDF) as all FWDF contracts are administered by the Ministry of Environment.

11. Financial Instrument Risks

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk and the liquidity risk are minimal. An Allowance for Doubtful Accounts was not recorded for these accounts in the current year.

The Fund is subject to interest rate risk with respect to revenue. To manage these risks, the Fund regularly monitors market conditions and interest rate trends.

12. Budget

The Budget for the Fund is included with the Ministry's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

13. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

		2016		2015
Capital:	$	48,055	$	-
Expenses:				
Contracts	$	15,822	$	7,251
Supplies and materials		-		131
Grants		20,000		32,534
Central Vehicle Agency rentals		3,539		47,175
Utilities		3,583		40,802
Telephone		-		2,690

Included in accounts payable is $0 (2015 - $8,648) owing to related parties.

The Fund pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by the Ministry of Environment and therefore no provision for such costs is reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

14. Grants

Wildlife Habitat Conservative Easements - The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements. The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $189,812 (2015 - $122,581) have been expensed in the Statement of Operations & Accumulated Surplus.

Municipal Habitat Grants in Lieu of Taxes $295,135 (2015 - $283,228) were paid to rural municipalities in lieu of taxes previously received on the Fund's lands located within their boundaries.

15. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

Schedule 1

SCHEDULE OF EXPENSES

For the Year Ended March 31

	Fish Enhancement Projects		Wildlife Habitat Projects		Municipal Habitat Projects		2016 Total		2015 Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget (Note 12)	Actual	Budget	Actual
Salaries	$ -	$ 19,460	$ -	$ -	$ -	$ -	$ -	$ 19,460	$ 440,000	$ 445,808
Contractual services	1,641,000	917,307	1,200,000	521,075	-	-	2,841,000	1,438,382	293,000	541,616
Supplies and materials	-	-	-	1,893	-	-	-	1,893	64,000	38,925
Grants	-	429,076	-	869,720	300,000	295,135	300,000	1,593,931	2,735,000	1,627,099
Central Vehicle Agency rentals	-	3,539	-	-	-	-	-	3,539	93,000	47,175
Travel expenses	-	-	-	1,073	-	-	-	1,073	29,000	8,191
Utilities	-	3,583	-	-	-	-	-	3,583	75,000	40,802
Amortization	20,000	27,897	-	-	-	-	20,000	27,897	20,000	19,866
Telephone	-	-	-	-	-	-	-	-	9,000	3,385
Communications	-	-	-	8,170	-	-	-	8,170	-	3,434
Other	-		-	(3,599)	-	-	-	(3,599)	-	780
TOTAL	$ 1,661,000	$ 1,400,862	$ 1,200,000	$ 1,398,332	$ 300,000	$ 295,135	$ 3,161,000	$ 3,094,329	$ 3,758,000	$ 2,777,081